

GOED Board Meeting Minutes

September 11, 2014 • 10:00 a.m.
Governor's Office of Economic Development
60 E. South Temple, Third Floor

Members Present:	Mel Lavitt, Jerry Oldroyd, Winston Wilkinson, Peter Mouskondis, Josh Romney, Christopher M. Conabee, Sam Granato, Jake Boyer, Clifford White, Brent Brown
Staff:	Theresa A. Foxley, Sophia DiCaro, Jenni Osman, Julia Barnhouse, Eric nay, Jessica Nield, Michael Sullivan, Tom Wadsworth, Dan Royal, Delynn Fielding, Adam Turville, Jeff Van Hulten, Phil Lundgreen, Zack Bloomer
Visitors:	Amy Reese, Ricardo Florez, Steve Kaminsky, Steve Styler, Derek Mellus, Donna Kessler, Jorge Sanchez, Derek Miller, Monte Mitchell, Jessica Thesing, Tom Brough, Brice Wallace

Welcome

Mel Lavitt welcomed everyone to the September 11, 2014 Board meeting.

Approval of the Minutes

MOTION:

Peter Mouskondis moved to approve the August 14, 2014 minutes. Winston Wilkinson seconded the motion. Motion was carried unanimously.

Presentation by Steve Kaminsky-Instructure CFO

Steve Kaminsky provided a brief history of Instructure. The company is a learning management software company who provide for the academic and corporate markets. Instructure currently has over 430 employees and over 900 customers. They have experienced success through the use of cloud software which is a user-friendly, cost effective business model. They are experiencing a lot of success in the international market with locations in the UK, Australia, and New Zealand and will soon be establishing locations in Hong Kong, Malaysia, and Singapore. Instructure plans on expanding their company by marketing more to corporations.

ED Zones

Oracle

Establish an Economic Development Zone for the purpose of supporting the recruiting of Oracle within Lehi City at 3450 North Triumph Boulevard Lehi, UT 84043.

Proposed Motion: Approve the creation of an Economic Development Zone for Lehi City in support of their letter request detailing the recruitment of Oracle within Lehi City at 3450 North Triumph Boulevard Lehi, UT 84043.

Airgas Inc.

Establish and Economic Development Zone for the purpose of supporting the recruiting of Airgas within Tooele City at 525 North Industrial Loop Road Tooele, UT 84074.

Proposed Motion: Approve the creation of an Economic Development Zone for Lehi City in support of their letter of request detailing the recruitment of Airgas Inc. within Tooele City at 525 North Industrial Loop Road Tooele, UT 84074.

MOTION: Jerry Oldroyd motioned to approve all ED Zones motions. Brent Brown seconded the motion. Motion carried unanimously.

EDTIF-Viracon

Project Highlights

Timeline:	2015
Target Industry:	Manufacturing
Proposed Location(s):	Washington County
Capital Investment:	\$2,200,000

Jobs & Revenue

Full time job over project lifetime: 300
 The company will provide full time employees with comprehensive health and retirement benefits.

New State Wages & Revenue:

New State Wages over 10 years: \$118,628,714
 New State Revenue over 10 years: \$7,091,966

Local Incentive

St. George is offering the company a significant local incentive. Scott Hirschi, Washington County Economic Development Director, has been very involved in the discussions about reopening the Viracon plant and bringing 300 high paying jobs back to St. George.

Proposed State Incentive

Total amount of EDTIF, post-performance refundable tax credit: **\$1,418,393**
 The amount represents the following percentage of new state revenues: **20%**
 Number of years that incentive is approved for: **10 years**

Company Overview

Viracon manufactures and sells custom commercial windows with a target market of 10 plus story buildings. Viracon Inc. has been operating since 1970 with a focus on providing the market with high performance custom commercial windows. We currently maintain an approximate market share of 70% for commercial buildings over 10 stories in North America. Viracon is a Minnesota based corporation with production facilities currently operating in MN, GA and Brazil. Apogee Enterprises, Inc. is the parent company to Viracon and is also based in MN.

MOTION: Jerry Oldroyd motioned to approve Viracon for a \$1,418,393 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 10 years. Clifford White seconded the motion. Motion carried unanimously.

- Incentives provided post-performance upon review and verification by GOED.
- EDTIF incentive not to exceed \$1,418,393 EDTIF post-performance refundable tax credit.
- Must commit to keep operation in Utah for length of the incentive period, 10 years.
- Subject to local incentive.

Monte Mitchell, CFO for Viracon, addressed their main competition, Europe and China. Viracon manufactures their product in the US. Monte thanked GOED and the GOED Board for their support in this project. They are hoping to rehire the employees that were lost during the factory closure in St. George due to the recession and also hope to hire employees from Blue Bunny, which is currently experiencing a warehouse closure. Some of the iconic buildings that Viracon has helped produce are: The new World Trade Center building in NY, MGM Grand, Mandalay Bay Casino, Bellagio Casino, Venetian Casino, Caesar's Palace, and many more. Viracon currently has a 70% market share of tall buildings in America.

**EDTIF – Oemeta
 Project Highlights**

Timeline: 2015
 Target Industry: Manufacturing
 Proposed Location(s): Salt Lake County
 Capital Investment: \$5,250,000

Jobs & Revenue

Full time job over project lifetime: 58
 The company will provide full time employees with comprehensive health and retirement benefits.

New State Wages & Revenue:

New State Wages over 7 years: \$12,664,553
 New State Revenue over 7 years: \$567,233

Local Incentive

Salt Lake City is offering the company a significant local incentive. Salt Lake City officials came to our incentive committee meeting to discuss the project, show support, and answer questions about the Foreign Trade Zone. Please see local letter.

Proposed State Incentive

Total amount of EDTIF, post-performance refundable tax credit:	\$113,447
The amount represents the following percentage of new state revenues:	20%
Number of years that incentive is approved for:	7 years

Company Overview

Oemeta Inc., a division of a 90 year old privately held German specialty chemical company, is the preeminent leader in the application of green chemistry to industrial machining. The parent company's primary European customers include Audi and BMW. Oemeta's bio-based technology has a proven track record, lower VOC, and greater worker safety while outperforming traditional petrochemical competitors. Our products are approved "green" by the USDA program www.biopreferred.com. In addition, they cost less than the traditional petroleum based competitors.

MOTION: Jerry Oldroyd motioned to approve Oemeta for a \$113,447 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 7 years. Jake Boyer seconded the motion. The motion carried unanimously.

- Incentives provided post-performance upon review and verification by GOED.
- EDTIF incentive not to exceed \$113,447 EDTIF post-performance refundable tax credit.
- Must commit to keep operation in Utah for length of the incentive period, 7 years.
- Subject to local incentive.

Derek Miller, President and CEO of the World Trade Center, spoke of the importance of Oemeta's presence in Utah to activate a foreign trade zone; Utah has had a foreign trade zone but it has not been active due to the lack of a proper tenant. This allows companies to export goods to the U.S. without paying tariffs on raw goods and materials, only the finished product. A foreign trade zone also allows economies to consolidate the processing and paperwork through monthly reports. This will provide an equivalent of a sea port that is not present in Utah which will allow Utah to be competitive in international business. Jessica Thesing from SLC sees a foreign trade zone as a very important tool for Utah and the city.

RFT

Sinbad Construction Company

The Rural Development office recommends a Rural Fast Track grant for Sinbad Construction Company of Orangeville, Emery County, Utah for the purpose of constructing a building to house their trucks, equipment, and serve as a general base of operations. This fulfills Orangeville City's numerous requests that the shop be moved from a residential area. This building will allow them to manufacture their own components, expand into additional lines of business and expand the employee base. The project is estimated to cost approximately \$169,000.

MOTION: Jerry Oldroyd motioned to endorse the Rural Fast Track Grant for Sinbad Construction Company of \$50,000. Christopher M. Conabee seconded the motion. The motion carried unanimously.

Rural Update - Delynn Fielding

Delynn Fielding, Director of Rural Development, provided a brief background on the Rural Fast Track program. Rural Utah makes up 25% of the state. A total of 80 fast track grants were given in 14 counties from 2008-2014, this resulted in the creation of 303 net new jobs and over \$29M in private investment. In summary Fast Track recipients create a net increase in jobs and it increases taxable income while companies who are not recipients of the program show a loss in jobs. Christopher M. Conabee suggested that we advertise rural Utah while recruiting businesses to the state.

Presentation by Steve Styler- Co-Chair of GRPB

Steve Styler began by giving a history and the objectives of the GRPB and their partnership with Delynn Fielding and Theresa Foxley. The GRPB acts as an economic voice for Rural Utah to make sure that their issues are heard by Governor Herbert. The main issue that Rural Utah faces is utility infrastructure; the other is expanding tourism to tourists. Steven Styler extended an invitation to the GOED Board to help address the problems that are in rural Utah.

MPAC

"There Are Monsters"

Project Highlights

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| • Category: | Sci-Fi Thriller |
| • Genre: | Feature Film |
| • Director: | Bryan Bertino |
| • Producer: | Adrienne Biddle, Aaron Ginsburg |

Utah Jobs and Revenue

- Estimated Cast: 7
- Estimated Cast Average Salary: \$504/ day
- Estimated Crew: 75
- Estimated Crew Average Salary: \$275/ day
- Estimated Extras: 26
- Estimated Extras Average Salary: \$102/ day
- Length of Film Production: 25 days
- Estimated Spend: \$1,711,630

Project Schedule

- Prep: September 22, 2014 through October 31, 2014
- Principal Photography: November 3, 2014 through December 12, 2014
- Wrap: December 15, 2014 through January 9, 2015
- Post Production: November 4, 2014 through June 26, 2015

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) September 4, 2014

MOTION: Amy Anderson motioned to approve TAM Pro, Inc a Motion Picture Incentive Program post-performance tax credit of no more than \$342,326 (which represents 20% of dollars left in state) or no more than \$427,908 if additional criteria are satisfied (which represents 25% of the dollars left in state) for the production of “There Are Monsters.” Peter Mouskondis seconded the motion. The motion carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$200,000 minimum dollars left in state to be eligible for the base line incentive of 20% of dollars left in state.
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval
- TAM Pro, Inc may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor’s Office of Economic Development and the Utah Film Commission, including a \$1,000,000 minimum dollars left in state. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$427,908 (25% of the dollars left in state).

“The Divorce Party”**Project Highlights**

- Category: Comedy
- Genre: Feature Film
- Director: Matt Bissonnette
- Producer: Sunil Perkash, Nicolas Weinberg, Lucas Jarach

Utah Jobs and Revenue

- Estimated Cast: 46
- Estimated Cast Average Salary: \$973.25/ day
- Estimated Crew: 85
- Estimated Crew Average Salary: \$231.41/ day
- Estimated Extras: 778
- Estimated Extras Average Salary: \$126/ day
- Length of Film Production: 27
- Estimated Spend: \$2,662,632

Project Schedule

- Prep: September 29, 2014 through November 3, 2014
- Principal Photography: November 5, 2014 through December 13, 2014
- Wrap: December 13, 2014 through December 30, 2014

- Post Production: December 13, 2014 through May 15, 2015

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) September 4, 2014

Motion: Amy Anderson motioned to approve Domain Entertainment, LTD a Motion Picture Incentive Program post-performance tax credit of no more than \$532,526 (which represents 20% of dollars left in state) or no more than \$665,658 if additional criteria are satisfied (which represents 25% of the dollars left in state) for the production of “The Divorce Party.” Clifford White seconded the motion. The motion carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$200,000 minimum dollars left in state to be eligible for the base line incentive of 20% of dollars left in state.
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval
- Domain Entertainment, LTD may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor’s Office of Economic Development and the Utah Film Commission, including a \$1,000,000 minimum dollars left in state. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$665,658 (25% of the dollars left in state).

“Girl’s Camp”

Project Highlights

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| • Category: | Dramedy |
| • Genre: | Feature Film |
| • Director | Maclain Nelson |
| • Producer: | Jake Van Wagoner |

Utah Jobs and Revenue

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|------------------------------------|------------|
| • Estimated Cast: | 21 |
| • Estimated Cast Average Salary: | \$105/ day |
| • Estimated Crew: | 22 |
| • Estimated Crew Average Salary: | \$235/ day |
| • Estimated Extras: | 50 |
| • Estimated Extras Average Salary: | N/A |
| • Length of Film Production: | 15 |
| • Estimated Spend: | \$236,537 |

Project Schedule

- Prep: September 1, 2014 through September 17, 2014
- Principal Photography: September 18, 2014 through October 4, 2014
- Wrap: October 6, 2014 through October 8, 2014
- Post Production: October 8, 2014 through March 31, 2015

Motion Picture Advisory Committee Recommendation

Approved by the Utah Film Commission (UFC) September 4, 2014

MOTON: Amy Anderson motioned to approve for Thrillion Dollar Movie, LLC a Motion Picture Incentive Program post-performance tax credit up to \$47,307 (which represents 20% of dollars left in state) for the production of “Girls Camp.” Jake Boyer seconded the motion. The motion carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$200,000 minimum dollars left in state to be eligible for the incentive
- At least 85% of the production’s cast/crew must be Utah residents and/or Utah students.

GOED Update

Theresa A. Foxley, Managing Director of Corporate Recruitment & Business Services, informed the Board that Val Hale, Vince Mikolay, and Jeff Edwards are currently in New York with Governor Herbert. The purpose of the visit is to introduce Governor Herbert to New York economic development key contacts and to learn best practices from those

groups. They will continue to build on the Israeli-Utah connection that is an extension of the trade mission that happened in 2013. They will also be meeting with site selectors in the area. Theresa also informed the Board of the upcoming Global Forum on September 24, 2014 and the 9th Annual PTAC Procurement Symposium on October 23, 2014.

Incentives Update

Theresa A. Foxley gave an update on the Incentives Program regarding new and existing projects.

EDCU Update

Todd Brightwell, Vice President of EDCUtah, presented on the status of current and upcoming projects in the pipeline. He spoke on the increase of the number of projects that EDCU is seeing in all industries.

Meeting adjourned.